

Discussion on TCRP Funding (Tab 17 - Reference No. 4.6)

Commissioners, some TCRP facts as introduction to this **INFORMATION** item.

\$4.909 billion is the amount identified in legislation for TCRP. Including January actions, a total of **\$3.743 billion** has been allocated. The difference of **\$1.166 billion** includes:

- **\$ 13 million** available for allocations for the remainder of FY 2007-08;
- **\$662 million** to be repaid as required by Proposition 1A;
- **\$482 million** from tribal gaming revenues; and,
- **\$ 9 million** in currently identified savings.

Background

The Traffic Congestion Relief Act of 2000 created the TCRP and committed \$4.909 billion to 141 specific projects. The \$4.909 billion in TCRP revenues (deposited in the TCRF) came from:

- \$1.595 billion from a General Fund transfer and directly from gasoline sales tax revenues.
- \$3.314 billion in transfers from the TIF over five years, the transfers were to be \$678 million per year for the first four years and the balance of \$602 million in the fifth year.

The Commission has approved \$3.743 billion in allocations through January 2008, \$13 million of FY 2007-08 funding remains available for allocations.

Pre-Proposition 42 Loans – AB 438 (2001) authorized loans to the General Fund, including a \$482 million TCRF loan. The current projection is that FY 2009-10 is when tribal gaming revenues will be available to begin repayment of the \$482 million TCRF loan.

Proposition 42 Loans - the five-year schedule for the TIF transfers is 2003-04 through 2007-08. Proposition 42 (2002) transfers were partially suspended in 2003-04 (\$389 million) and fully suspended in 2004-05 (\$678 million) for a total General Fund loan of \$1.067 billion. A \$323 million repayment in FY 2006-07 reduced the balance to \$744 million.

Proposition 1A (November 2006) requires that the \$744 million balance be paid to the TIF no later than June 30, 2016, at approximately \$82.7 million per year through FY 2015-16. After the initial \$82.7 million repayment in FY 2007-08, the outstanding loan balance is \$662 million.

Program Status

The Commission has allocated \$671 million of the \$684 million available in FY 2007-08. The October 2007 TCRP Biannual Progress Report (presented at the December 2007 Commission meeting) projected allocation needs for the second half of FY 2007-08 at \$576 million including:

- allocations for projects ready for construction - **\$264 million**
- allocations for pre-construction project activities - **\$271 million**
- reimbursement of previously approved LONPs - **\$41 million**

\$13 million is available for allocations the remainder of FY 2007-08, and with only the \$82.7 million Proposition 1A repayment expected next year, the shortfall will worsen in FY 2008-09 if nothing is done.